

REMARKS

Claims 1-22 are pending in the application. In the Office Action dated October 21, 2004, the Examiner rejected claims 1 and 3-6 under 35 U.S.C. § 103(a) as being unpatentable over U.S. Pat. No. 6,778,607 ("Zaccarin"). Further, claims 2, 7, 14, 21, and 22 were rejected under 35 U.S.C. § 103(a) as being unpatentable over Zaccarin in view of U.S. Pat. No. 5,604,494 ("Murakami").

In this Amendment, claim 15 has been amended. Applicants respectfully request reconsideration and withdrawal of the rejections in light of the amendment to claim 15 and the following remarks.

I. **Zaccarin Does Not Render the Independent Claims Unpatentable**

Independent claims 1, 8, and 15 are directed to a method and system that provides a plurality of levels of compression using a single compression engine. The currently-claimed invention discloses a method and system that provides a first and second DCT-encoded signal, wherein the coefficients of the second DCT-encoded signal has less coefficient bits than the coefficients of the first DCT-encoded signal. The coefficients of the second DCT-encoded signal are created by **removing at least one lesser-significant bit** from each of the coefficients of the first DCT-encoded signal. Zaccarin does not disclose or suggest **removing at least one lesser-significant bit** from a set of DCT coefficients to obtain a second set of DCT coefficients.

Zaccarin is directed to a method and apparatus for multi-rate encoding of video sequences. Zaccarin discloses encoding a bit stream at multiple different bit rates with separate DCT coefficients. However, Zaccarin does not disclose creating a second set of DCT coefficients by simply **removing at least one lesser-significant bit** from a first set of DCT coefficients. Figures 5 and 6, cited by the Examiner in the Office Action, show the encoding of a first stream and any subsequent streams. Significantly, the Office Action does not address that Figures 5 and 6 do not show DCT coefficients created by removing at least one lesser-significant bit of a previous DCT coefficient. Thus, Zaccarin necessarily cannot render independent claims 1, 8, and 15, or their dependent claims unpatentable. Applicants respectfully request reconsideration and withdrawal of the rejection to these claims.

II. The Proposed Combination of Zaccarin and Murakami Does Not Render the Independent Claims Unpatentable

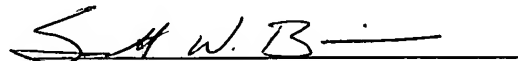
Murakami is directed to an encoding/decoding apparatus that alleviates errors after repeatedly encoding/decoding a digital signal. Murakami does not disclose or suggest providing a plurality of levels of compression like the currently-claimed invention. Moreover, like Zaccarin, the apparatus of Murakami does not disclose or suggest ***removing at least one lesser-significant bit*** from a set of DCT coefficients to obtain a second set of DCT coefficients. Murakami discloses manipulating DCT coefficients in many ways, but at no time is at least one lesser-significant bit removed to create another DCT coefficient.

Due to the fact that neither Zaccarin or Murakami disclose or suggest ***removing at least one lesser-significant bit*** from a first set of DCT coefficients to obtain a second set of DCT coefficients as in the currently-claimed invention, the proposed combination of Zaccarin and Murakami necessarily cannot render independent claims 1, 8, and 15, or their dependent claims unpatentable. Applicants respectfully request reconsideration and withdrawal of the rejection to these claims.

III. CONCLUSION

In view of the foregoing amendment and remarks, Applicants submit that the pending claims are in condition for allowance. Reconsideration is therefore respectfully requested. If there are any questions concerning this Response, the Examiner is asked to phone the undersigned attorney at (312) 321-4200.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "S. W. Brim", is written over a horizontal line.

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